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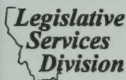
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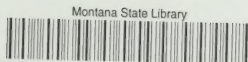
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# THE INTERIM

OCTOBER 1998

HELENA, MONTANA

VOL. XI NO. 17

## COMMITTEE ON INDIAN AFFAIRS

Committee Holds Final Meeting...The Committee on Indian Affairs held its final meeting of the interim on Friday, August 28. The Committee heard presentations from the Department of Commerce, the Department of Public Health and Human Services, and the Board of Crime Control. The Committee then adopted its recommendations for the 1999 legislative session.

Committee Hears from Department of Commerce...Andy Poole, Deputy Director of the Department of Commerce, made a presentation to the Committee on the administration's economic development initiative entitled "MONTANA JOBS--Putting People First: A Blueprint for Economic Development". The Department held a series of focus group sessions all across the state at which Montana citizens identified the basic components necessary for businesses to be successful. The components were divided into three groups: internal business factors, external business factors, and government policy. Within each group were individual components such as marketing and sales, employee skills, market location, transportation, educational system, and taxes. An objective was identified for each component and then potential strategies were devised for meeting the objective. Some of the strategies involve legislation, and the Department is working on a legislative package for presentation to the 1999 Legislature. When asked if the Department had coordinated its economic development plan with economic development efforts on reservations, Mr. Poole replied that tribal members were invited to participate in the focus group meetings but no specific populations were addressed in the plan.

Mr. Poole also provided information to the Committee on Native American participation in state economic development programs, such as the NxLevel Entrepreneurial Training Programs and the Microbusiness Finance Program. The Department does not offer any programs specifically aimed at economic development on Indian reservations. However, individual Indian entrepreneurs and Indian

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businesses are encouraged to take advantage of the Department's general programs.

Committee Receives Welfare Reform Update...Jon Meredith of the Department of Public Health and Human Services (DPHHS) updated the Committee on the progress of welfare reform on the reservations. Tribal transitional specialists have been appointed on six reservations, and each specialist has identified those areas on which to concentrate efforts. However, all of the specialists identified three common areas of concern: how Families Achieving Independence in Montana is working, the imposition of sanctions, and the need for more welfare-to-work funds. The welfare-to-work funds are targeted towards the hard-to-serve welfare population. These are people who are long-term welfare recipients with drug and alcohol problems, making it very difficult for them to obtain and keep a job. Mr. Meredith believes that many people who fall into this category live on reservations, and the welfare-to-work money set aside for tribes is inadequate.

The DPHHS is still concerned about the possibility of welfare recipients moving to the five reservations where the five-year time limit has been waived. If this happens to any great degree, it will put even more of a burden on the already-limited resources on reservations.

The Salish-Kootenai Tribes have filed their draft Family Assistance Plan, indicating their intent to take over the Temporary Assistance to Needy Families (TANF) program on their reservation. Negotiations are still underway to determine the service population and the amount of state funding that will be made available. The target date for the changeover from the state program is January 1, 1999. Rep. John Cobb is working on legislation that will guarantee a certain percentage of state funding to tribes seeking to operate their own TANF programs. The Committee agreed to support Rep. Cobb's efforts.

Both the tribes and the DPHHS are pleased with the progress that has been made on the reservations through the use of the tribal welfare reform transitional money. The tribes would like to see the funding continued for another two years. The Committee voted to send a letter of support for the continued funding of the tribal welfare reform transition program to Governor Marc Racicot and DPHHS Director Laurie Ekanger.

Committee Discusses Interim Committee Reorganization...Leanne Kurtz and Greg Petesch of Legislative Services Division made a presentation on the proposed restructuring of the interim committee system. (Please refer to the buff-colored insert in this edition of **THE INTERIM** for a description of the restructuring.) Under this proposal, the Committee on Indian Affairs would become a permanent subcommittee of the proposed Law, Justice, and Indian Affairs Committee. Committee members were comfortable with the proposed restructuring as long as the Committee on Indian Affairs remained in some fashion. Some members felt it was time to revisit the role of the Indian Affairs Committee and this restructuring may provide that opportunity.

Committee Hears from Coordinator of Indian Affairs...Wyman McDonald, Coordinator of Indian Affairs reported on the activities of his office. He is proposing

a reorganization of his office by creating an autonomous Commission on Indian Affairs that would have its own staff and would include tribal representatives and private citizens as well as representatives from the judiciary, executive agencies, and the Legislature. A Commission would provide a better forum, than is now available, for tribes and state agencies to communicate and work out problems before they end up in litigation. The proposal has been sent to the tribes for their comments. If the tribes support the Commission, legislation will be drafted and introduced in the 1999 session. When asked how the Commission on Indian Affairs would interface with the legislative restructuring proposal, Connie Erickson, Indian Affairs Committee staff, replied that the two proposals are not incompatible. Should a Commission that includes legislators be created by the Legislature then the Committee on Indian Affairs, either in its present form or as a subcommittee, would be eliminated. If the Commission proposal is not adopted, the Committee on Indian Affairs would continue as is or as a subcommittee, pending legislative approval of the interim committee restructuring. When asked about the cost for implementing his proposal, Mr. McDonald replied that a budget had not yet been proposed.

Mr. McDonald also expressed his concern that state agencies do not make enough of an effort to contact tribes about meetings on issues that affect Indians. He said, for example, that the notices for the focus group meetings on the economic development plan never reached any of the tribes, and so the tribes were not as involved as they should have been. Hopefully, his commission proposal could correct some of these problems.

Mr. McDonald also offered some suggestions for improving the poor economic situation on reservations: inclusion of a Native American delegation in the state's trade missions to foreign countries, tax incentives for businesses located on or near reservations, career ladders in state and local governments to counter the massive unemployment on reservations, greater collaboration between Indian tribes and state agencies on community development initiatives, recruitment and appointment of Indians to state advisory boards, and greater emphasis on including Indian tribes in the development of major planning efforts in the state.

Committee Hears About FAS and FAE...Cil Robinson of the Montana Board of Crime Control gave a presentation on the myths, misunderstandings, and the growing problem of fetal alcohol syndrome (FAS) and fetal alcohol effects (FAE) among Montana's Indian youth. She hoped that in some future legislative session, the Committee would consider sponsoring legislation recognizing FAS and FAE as physical disabilities rather than as mental disabilities.

Committee Considers Indian Education Legislation...Norma Bixby of the Montana Advisory Committee on Indian Education (MACIE) presented a proposal for a bill that would establish guidelines for the implementation of the constitutional provision for the preservation of Indian culture in Montana schools. MACIE recognizes the importance of local control of schools and does not want to dictate curriculum. However, unless the Legislature goes on record supporting some sort of Indian studies in the schools, nothing will happen. MACIE does not want schools to completely redo



their curriculums, they would just like schools to integrate Indian studies into their current curriculum. The Montana Indian Education Association (MIEA) also supports this proposal because it views education as one of the best ways to create understanding and promote better relationships between Indians and non-Indians. The Committee voted to authorize staff to work with MACIE and MIEA on the proposed legislation.

During the last legislative session, legislation was passed requiring the Board of Regents to provide financial assistance to tribal colleges for enrolled nonbeneficiary students (generally non-Indian), subject to a line item appropriation from the Legislature. Unfortunately, the Legislature never appropriated any money for the program. The Committee on Indian Affairs was instrumental in getting financial assistance for nonbeneficiary students passed in 1995 and was dismayed at the 1997 Legislature's failure to continue funding the program. The Committee voted to draft legislation to restore the funding for nonbeneficiary students.

Final Report...The final report of the Committee on Indian Affairs will be available from the Legislative Services Division in November.

## LEGISLATIVE SERVICES DIVISION

Report Available...The following report is currently available from the Legislative Services Division. To obtain a copy, please contact the LSD Library at 444-3064 or by e-mail at <efurbush@state.mt.us>.

The Tax Policy Cafe: Le Menu du Jour, September 1998, Dave Bohyer

## COMMISSIONER OF POLITICAL PRACTICES

Candidates Being Sought...The Statutory Committee to Nominate Candidates for Commissioner of Political Practices is seeking persons interested in the position for the purpose of submitting a recommended list of persons to the Governor for consideration for appointment. The Commissioner is appointed by the Governor and is subject to confirmation by the Senate.

The Commissioner of Political Practices is responsible for overseeing and enforcing Montana campaign practices and state ethics laws. The Commissioner of Political Practices is limited to a single 6-year term and is precluded from being a candidate for public office for a period of 5 years from the time the person leaves office as Commissioner. Compensation for the Commissioner is the market salary for a grade 18 classified state employee. The current salary is \$44,286, plus longevity, expense reimbursement, annual leave, sick leave, insurance, and other benefits provided to classified state employees.

Persons interested in being considered for inclusion on the list of nominees should

submit a letter of interest, a resume, and a list of three references to:

Statutory Committee to Nominate Candidates for Commissioner of Political Practices  
P.O. Box 201706  
Helena, Montana 59620-1706.

Applications must be received by November 1, 1998. The Statutory Committee to Nominate Candidates for Commissioner of Political Practices will meet on Thursday, November 12, at 3 p.m. in Room 108 of the State Capitol to consider applications and compile the recommended list of persons for the Governor's consideration.

## LEGISLATIVE AUDIT COMMITTEE

Committee to Meet in November...The Legislative Audit Committee will meet on Thursday, November 12 in Room 104 of the Capitol. For more information about the meeting, please contact the Legislative Audit Division at (406)444-3122.

Division Receives Award....The National Legislative Program Evaluation Society (NLPES) of the National Conference of State Legislatures has awarded the Montana Legislative Audit Division an NLPES Award for Recognition of Impact. A performance audit of "Relocating Utilities on Montana's Highway Right-of-Way" was selected for the award as an excellent representation of the impact the office continues to have on the operations of Montana state government.

The Montana Department of Transportation implemented all recommendations in the report. One-time savings of about \$336,000 and annual savings of over \$500,000 have and are being realized for the \$6.1 million program - over 8% of its total cost. The Department changed organizational structure and procedures. It redesigned the entire process it uses for utility relocation reimbursement. Statutes were changed to remove certain costs to the state and to provide assistance to local governments. The Department initiated its own internal review function to continue improvement in the utility relocation area.

Senator Linda Nelson, Chair of the Legislative Audit Committee, and Rep. Bruce Simon, Vice-Chair, issued a joint statement saying that they are extremely pleased with the work of the Audit Division. The recent award is the third time the Legislative Audit Division has been nationally recognized for excellence in its work. In 1988 and 1996, NLPES awarded the office awards for Excellence in Program Evaluation, recognizing its impact on the operations of state government and benefits to the taxpayers of the state.

## COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Committee to Hold Final Meeting...The Committee on Public Employee Retirement Systems (CPERS) will wrap up its interim work at a final meeting on Wednesday and Thursday, October 28-29. As required by House Bill No. 90, CPERS is preparing to recommend to the full Legislature significant changes to the Public Employees' Retirement System (PERS). The changes will not affect the structure or benefits withing the current PERS. However, a new Defined Contribution (DC) plan will added to PERS. Thus, all current PERS members and new members will be able to choose between the existing plan (a Defined Benefit plan) and the new DC plan. The DC plan would allow members to direct how employee and employer contributions are invested within a set menu of investment options.

The new DC plan will be administered by the Public Employees' Retirement Board and will require administrative changes within the Public Employees' Retirement Division. Administrative costs and funding sources will be the main topic of the October 28 meeting.

To Review Legislative Proposals...On October 29, CPERS will fulfill its obligation to review potential legislative proposals affecting the retirement systems. A total of 27 proposals have been forwarded to CPERS so far. One of the most significant proposals is from the Teachers' Retirement Board. That proposal would provide members of the Teachers' Retirement System (TRS) with a Guaranteed Annual Benefit Adjustment (GABA) similar to the GABA enacted by the Legislature last session for members of all of the other statewide retirement plans. The GABA would provide TRS retirees with a 1.5% annual increase in retirement benefits after the first three years. The benefit increase would be funded by a combination of contribution increases, benefit swaps, and an extension of the amortization schedule for paying off the systems' unfunded liabilities.

CPERS will be reviewing the TRS GABA proposal and the other proposals, considering a staff analysis of each proposal, and taking a vote on what action on the proposal to recommend to the full Legislature if the proposal is introduced.

For more information on CPERS's activities see the Committee's Internet site at <[http://www.mt.gov/leg/branch/pers\\_main.htm](http://www.mt.gov/leg/branch/pers_main.htm)> or contact Sheri Heffelfinger at 444-3596 or <[sheffelfinger@states.mt.us](mailto:sheffelfinger@states.mt.us)>.

## CORRECTIONAL STANDARDS AND OVERSIGHT COMMITTEE

Committee Meets in Bozeman...The Correctional Standards and Oversight Committee met September 12 in Bozeman, following a Burton K. Wheeler Conference



on "The Future of Corrections" on September 10 and 11.

The Committee received information on the Legislative Audit Division's performance audit of the Department of Corrections Intensive Supervision Program and Prerelease Centers. A report is available from the Legislative Audit Division.

The Committee completed its actions on subcommittee recommendations, including adopting draft legislation for detention center standards and inspection and draft legislation to allow the retention of certain Youth Court records for research and evaluation purposes.

Committee Makes Final Recommendations and Findings...The Committee also made its final recommendations. The Committee:

- requested that sentencing options continue to be developed for draft legislation;
- recommended that probation violators be allowed to be held in jail as a sanction for technical violations in lieu of being returned to prison; and
- recommended allowing 4th DUI offenders to be held in a secure treatment facility.

In addition, the Committee:

- expressed concern over correctional institutional population projections, good-time, alternatives to incarceration and public education, and correctional program outcome or evaluation information;
- offered support for the continuation and expansion of the Department of Corrections Intervening in Delinquency Pilot Project;
- expressed an interest in Aspen Youth Alternatives working towards eligibility for federal Title IV-E funding;
- supported the Board of Pardons and Parole proposals;
- approved the use of a cost per day analysis and a legislative budget document for use by the House Appropriations and Senate Finance and Claims Committees;
- proposed that the Department of Corrections make adjustments in the development of the new budgeting and accounting system so that cost comparisons between public and private programs and facilities is possible; and
- urged the Department of Corrections to foster greater communications between the various entities in the criminal justice system;

The final draft of the findings and recommendations will be included in the Committee's final report, which should be available in November.

For information on draft legislation, findings and recommendations, or the final report, please contact Susan Byorth Fox at 444-3064 or by e-mail at <sfox@state.mt.us>.

## ENVIRONMENTAL QUALITY COUNCIL

EQC to Meet in October...The Environmental Quality Council (EQC) will meet on Friday, October 30 in Helena. Agenda items include: reviewing subcommittee recommendations, reviewing enforcement and compliance information from state agencies, reviewing agency legislative proposals, receiving an update on voluntary forestry best management practices, and receiving a status report on the Department of Environmental Quality's permitting and compliance audit. The EQC will wrap up most of its interim study process at this meeting. The EQC subcommittee activities are set out below.

Montana Growth Issues...The Growth Subcommittee met in Bozeman on September 28 to discuss a draft report entitled "Planning for Growth in Montana". The meeting was held at the Department of Fish, Wildlife and Parks Headquarters. The Subcommittee is continuing to work toward its goal of changing the discussion of growth from a discussion of subdivision review to one of the planning process. The Subcommittee is investigating "tools" that can be used to plan for growth as well as potential incentives for the adoption and implementation of comprehensive plans. The Subcommittee will present its findings and recommendations to the EQC at the Council's October 30 meeting.

For agendas or further information, contact Mary Vandenbosch by phone at 444-3742 or e-mail at <mvandenbosch@state.mt.us>.

Waste Tire Study...The EQC adopted a report on the "Status and Alternatives for the Management of Waste Tires in Montana" at its September meeting. The EQC's report was based on the findings and recommendations of a Waste Tire Study Working Group comprised of approximately 30 citizens familiar with waste tire management issues. The report identifies problems with waste tire management in Montana, evaluates possible solutions, and makes findings and recommendations concerning illegal tire dumps, waste tire haulers, disposal in landfills, and the need for a publicly funded waste tire subsidy program. The report concludes that Montana does not have a problem with waste tire management that is significant enough to warrant statewide policy changes in the current situation at this time.

Persons interested in obtaining a copy of the draft or final report are encouraged to contact Larry Mitchell, EQC staff, at 444-1352 or e-mail to <lamitchell@state.mt.us>.

Water Policy...The Water Policy Subcommittee met on September 4 in Helena. The Subcommittee discussed the drafts of its reports to the Legislature and discussed the progress on the proposed new ground water chapter of the State Water Plan with staff from the Department of Natural Resources and Conservation. The Subcommittee decided to hold a three-week public and EQC review period on its draft reports and recommendations (from September 17 to October 8). Anyone wishing to participate in the public review period may request from the EQC office (406-444-3742) a copy of one or more of the following reports:

Montana Fish Wildlife & Parks' Water Leasing Study --Final Study Report

This report is intended to fulfill the statutory requirement for a 10-year review of the water leasing program authorized by the 1989 Legislature. It includes FWP's summary of its program, as well as Department and Subcommittee recommendations for legislation. The report is approximately 10 pages in length, plus appendices.

Montana's Water Policy --1997-98; An EQC "Communique" to the Montana Legislature

This report is intended to fulfill the EQC's statutory requirement to report to the Legislature on the "adequacy of the State's water policy" and "important developments affecting Montana's water resources". It also includes overviews of four water-related programs that the EQC is required to "analyze and comment" on and some results of general water-related agency oversight the Subcommittee undertook during the 1997-98 Interim. The report is approximately 50 pages in length, plus appendices. It is an intermediate version, designed to spur comment; it's length will be significantly pared, once comments are received and reviewed.

Montana's Revised Water Quality Monitoring, Assessment, and Improvement Program ("HB 546 and TMDLs in Practice") --An EQC Oversight Report to the Legislature

This is intended to be both a "primer" on one of Montana's most newly revised and expanded water quality-related programs, as well as a means to report Subcommittee investigations of specific policy aspects to the 1999 Legislature. An overview of the 1997 legislation is provided in lay terms, as well as preliminary answers to frequently-asked questions about the program and four case studies of TMDL development in various stages and locations in Montana. The "policy considerations" sections address topics such as interagency coordination, funding, definitions, decision-making, and specific policy issue topics. Some Subcommittee recommendations are provided; some options for recommendations are still under consideration.

The Subcommittee will hold its last meeting on October 29 (or earlier if more time is needed to respond to public/Council comments) in Helena, where it will finalize its reports and recommendations to the Council. The Subcommittee appreciates the

interest and involvement in its work from the many citizens, agency staff, and legislators who have commented on printed material and/or attended and testified at its meetings

For more information, contact Kathleen Williams, EQC staff, at 444-3742, or via e-mail at <kwilliams@state.mt.us>.

For more information about the EQC or the October 30 meeting, please contact the EQC staff at 444-3742 or via the Internet at <teverts@state.mt.us>.

## TRANSITION ADVISORY COMMITTEE

TAC Meets in September...The Transition Advisory Committee (TAC) met in Helena on September 18 and heard reports from Montana Power Company, the Public Service Commission, and the Montana Consumer Counsel. The TAC approved guidelines for universal system benefits programs funding credits and expenditures and it also approved a recommendation that the TAC pursue a method to assess a fee for all fuels for low-income energy assistance during the 1999-2000 interim. The TAC will make its final interim recommendations during its October 23 meeting in Helena.

Universal System Benefits Programs (USBP) Subcommittee...The USBP Subcommittee is charged with making recommendations to the full TAC on the creation of a USBP fund and how that fund should be administered. In addition, the USBP Subcommittee will make recommendations on USBP credit and expenditure eligibility. The USBP Subcommittee met on September 17. The Subcommittee was able to forward USBP credit and expenditure guidelines to the full TAC. The Subcommittee also heard from propane and heating oil dealers regarding the issues of assessing a fee for low-income energy assistance programs. The USBP Subcommittee recommended that the TAC pursue a method to assess a fee for all fuels for low-income energy assistance during the 1999-2000 interim.

The USBP Subcommittee was not able to resolve the definition of "large customers" for the purposes of USBP, nor was it able to agree on USBP credit and expenditure administration and enforcement issues. The Subcommittee scheduled another meeting for October 5 in Helena to resolve these issues.

Education Subcommittee...The Education Subcommittee met on September 17 in the State Capitol and discussed the group's role with respect to monitoring and reviewing customer education messages and materials put forth by investor-owned utilities and the electrical cooperatives who choose to "opt in" on the restructuring process established in Senate Bill 390. The law requires that public utilities educate their customers about restructuring, but also grants the TAC a broad mandate to oversee the implementation of this and other provisions in SB 390. The members looked at a freshly minted brochure from Montana Power Company that will be



distributed to the firm's residential and small commercial customers within the next few weeks. They also viewed a series of public service style advertisements and a longer presentation (both on video) from the state of Pennsylvania, which is also moving forward with restructuring and retail competition among electrical power producers.

The Subcommittee decided to continue to analyze print, audio, and video format educational materials as they become available and also develop criteria by which to measure the fairness and effectiveness of utility companies' messages to the public about restructuring. In addition to the provisions of SB 390 itself, the Subcommittee will rely on a set of generic principles arrived at late in 1997 through "The Collaborative", an informal group of interested parties and individuals who participated in a series of meetings convened by MPC at the Montana Public Service Commission offices in Helena.

Subcommittee Discusses Water Rights...The Subcommittee also heard a presentation by Senator Hurwitz on water rights issues related to the restructuring process, especially as the sale of Montana Power's hydropower facilities on the Missouri River to an as yet unknown buyer (or buyers) may jeopardize area irrigators who hold junior water rights, especially in the Townsend area. A general discussion of these issues ensued, involving members as well as attorneys and administrators representing Montana Power Company and the Department of Natural Resources and Conservation, respectively. The Governor has requested the Federal Energy Regulatory Commission to look into this matter in the course of that agency's lengthy process of renewing hydropower licenses on the Missouri system. No decision was taken by the Subcommittee, but informational materials pertinent to the connections between MPC's sale of its generation facilities and the transfer of the company's water rights to new owners will be included in the TAC's final report to the Governor and the Legislature.

To Meet in October...The TAC's next regularly scheduled meeting is in Helena on Friday, October 23 in Room 312-2 of the State Capitol.

## GAMBLING STUDY COMMISSION

Commission Briefs Governor...The Gambling Study Commission held a briefing for the Governor, the Legislature, and the interested public on September 30 on the results of the research undertaken pursuant to House Bill 615, which was passed in 1997 and called for a comprehensive analysis of the economic and social impacts of gambling in Montana. The briefing was held in the Governor's Reception Room in the Capitol.

Chairman Shannon Taylor explained the briefing procedure and then introduced the other members of the Commission as well as the members of the study team from the Bureau of Business and Economic Research at the University of Montana in

Missoula and from Gemini Research in Northhampton, Massachusetts. Governor Racicot then offered his comments on the study results. Afterwards, the study team presented its findings and then responded to questions from legislators, the Governor, Commission members, and interested citizens. The public was invited to attend the entire briefing session and participate in the question and comment period.

The Commission's report consists of its own introductory Overview, the contractors' narrative Final Report, and a Technical Report that details the methods and procedures the contract team used to complete the study. The Overview and the Final Report narrative went to print following the September 30 briefing, and copies will be distributed to all members of the Legislature as soon as they are available. (Photocopied versions are available to any legislator or interested person on request.) The Technical Report consists of fourteen appendices and is several hundred pages in length. It too will be available on request.

Please contact Stephen Maly at 444-3064 or by e-mail at <smaly@state.mt.us> for further information about the briefing and for copies of the reports.

## LEGISLATIVE COUNCIL

Council Sets Legislative Calendar...The Legislative Council met on September 11 at the State Capitol. The Council considered a proposed calendar for the next legislative session. Because of the election cycle, legislative organizational issues, etc., it has always been difficult to project a schedule for the Legislature, but with Capitol renovation in the wings and the need for scheduling the beginning of work and relocation of current Capitol office users, scheduling for this session is seen as of particular significance. Here are key dates, including those recommended by the Legislative Council at this or previous meetings:

Saturday, November 14 -- Presession Caucus  
Monday, January 4 -- 1st Legislative Day  
Wednesday, February 24 -- 45th Legislative Day  
Thursday, February 25 through Sunday, February 28 -- Transmittal Break  
Monday, March 1 -- 46th Legislative Day  
Friday, April 2 through Monday April 5 -- Break (Easter, Sunday April 5)  
Saturday, April 24 -- 90th Legislative Day (if needed)

Council Adopts Improvement Report...Over the course of the interim, the Legislative Council has considered a number of legislative improvement issues. The Council approved the following features of the Legislative Improvement Subcommittee report:

Interim restructuring: The Council approved a bill for introduction designed to improve the efficiency of interim operations for legislators and staff, enhance the

educational potential of interim work for legislators, and stabilizing the economy of legislative interim operations. The main features of the bill are outlined on a buff-colored sheet included as an insert in this issue of *THE INTERIM*.

Rules Changes: In addition, a number of rules changes have been drafted and recommended for consideration by the rules committees in preparation for the next session. The changes include:

- amending House Rule H30-40 to make House hearing notice consistent with Senate at 72 hours;
- amending Joint Rule 40-60 to require use of a certificate rather than a resolution to honor teams, schools, organizations, etc. Honorees will still be introduced on the floor;
- considering in section 40-40 of the Joint Rules a subsection (c) also allowing the Speaker-elect or the Speaker to give up to 10 bills a higher priority to other House bill draft requests with a provision that the President-elect or the President of the Senate have the same authority for Senate Bills; and
- providing that the text of all amendments be recorded.

Bill Draft Requests: The Council also voted to amend its bill draft request rules to provide that once a legislator has requested a bill draft, no change of requesters will be allowed. This rule is designed to save significant complications and expenditures in the automated system. Once a bill is drafted and delivered, any legislator may introduce the bill as has always been the case. Also, a legislator may involve any other legislator in assisting with the drafting of the bill, but the original requester will remain associated with the bill.

Council Consulted on Land Issues...The Council was consulted on two land exchange issues. The first was a sale proposal from DPHHS for the South Boulder Campus, under section 77-2-302, MCA, on referral from the Board of Land Commissioners. This proposal is related to the earlier proposal heard by the Council for a transfer but was changed to a sale proposal.

The second issue was a waiver of water line easement fees on nontrust land, under section 77-2-351, MCA, to the City of Columbia Falls for a city water service line to the Montana Veterans' Home.

The Department of Natural Resources is working on a nontrust land database project in response to a request by the Legislative Council for a listing of nontrust lands held by the state. A database is being constructed and the data entry portion has been completed; individual agency confirmation is in progress. The Department is trying to find the most efficient way to build the database with minimum redundancy with other state agency efforts, but is running into some difficulty with respect to authority and cooperation. The Council is following up on this issue and

will attempt to resolve the problem by legislation or otherwise.

Capitol Renovation Discussed...The Council heard the latest on the Capitol renovation project, including the current status of renovation plans and progress. The first phase of the project should be ready to go to bid in November. Current projections indicate the project is short of funds to move beyond phase 1. The Department of Administration indicated that current plans are to request additional funding to complete the full project, which would include renovation of the west wing addition to the building (where the House of Representatives Chamber is). Current plans for moving Capitol residents during renovation call for moving most legislative branch personnel to the building housing the Federal Court on South Park in Helena. The Council asked for an analysis of moving all these offices into the House Chamber area instead, or otherwise finding an option likely to cost less than a move downtown. A report will be presented on this request in November.

Council Looks at Budgets...The Council considered and approved budgets for the Legislative Services Program and the Interim Committees and Activities Program. The Council's Management Subcommittee had given extensive consideration to the budgets of all the Branch programs at a meeting prior to the Council's full session. At both meetings, Legislative Fiscal Analyst, Clayton Schenck, presented an overview and analysis of Branch budgets. Changes in the budgets as drafted included removal of provisional new proposals for funding an additional FTE directed by the Council, Audit Committee, and Finance Committee over the summer as a tool for reducing excess compensatory time in the Branch; a provisional new proposal for funding travel for 4 delegates to NCSL meetings; and significant reduction of a provisional new proposal that would have funded dues and travel for 4 delegates to Council of State Governments activities. The amount of delegate support cost included in the new proposal for NCSL delegates was transferred to the CSG new proposal as a partial dues contribution for that organization.

The Legislative Council reviewed the legislative branch computer system plan as required, but deferred approval until November. The budget included in the plan, however, was approved as a part of the budget review.

The Council set the prices charged to the public for legislative proceedings at the same level as was charged last session with the exception of the charge for a subscription for mailing of complete sets. The charge was increased to more closely reflect the actual cost. Here is the cost schedule:

Complete set of proceedings:	\$ 700
Added charge for postage:	
Status sheets daily	\$110
Status, journals, index	\$140
Complete set of proceedings	\$275



## Single copies of documents:

1 - 5 pages	\$.25
6 - 15 pages	\$.50
16 - 40 pages	\$1.00
41 - 80 pages	\$1.50
81 - 120 pages	\$2.00
121 - 150 pages	\$3.00
151 - 200 pages	\$4.00
over 200 pages	\$5.00

Document on diskette (each diskette): \$2.00

Code Commissioner Presents Report...1-11-204, MCA, provides that the Code Commissioner prepare and publish a report on changes made during continuous recodification. Greg Petesch presented the report, including changes recommended to be accomplished by bill. The Legislative Council designated Rep. Ray Peck to sponsor the bill.

To Host Japanese Visitors...On October 2, four legislators and three staff from Montana's sister state in Kumamoto, Japan will visit Helena. The Council designated Rep. Ray Peck to work with Executive Director, Bob Person, to host the group. Several Helena area members will be asked to help out.

Council to Meet in November and January...The Council will hold its final meeting prior to the legislative session on November 13. The Council will complete its old business, hear a presentation on Year 2000 readiness in the public and private sectors in the state, hear a briefing on MT PRRIME as it was to be and as it is to be, designate the Council discretionary legislative interns, undertake final session planning, and handle such other business as may arise.

In early January (provisionally January 9, 1999) the Council will hold an organizational meeting, elect officers for the biennium, establish the basis for Council review of policy issues during the session, and review and approve a preliminary biennium meeting schedule.

## OVERSIGHT COMMITTEE ON CHILDREN AND FAMILIES

Committee Holds Final Meeting...On August 17, the Joint Oversight Committee on Children and Families (JOCCF) bid a fond farewell to the interim of 1997-1998. The day was spent tying up loose ends, learning of some new projects underway, and making some final recommendations. Particularly noteworthy was the attendance of Supreme Court Justice Jim Nelson and Attorney General Joe Mazurek to discuss with the Committee the Uniform Child Custody Jurisdiction and Enforcement Act

(UCCJEA), marking the first time a sitting Supreme Court Justice and the sitting Attorney General had appeared before a legislative interim committee.

JOCCF also received updates on the Mental Health Access Plan and DPHHS' work with low income advocacy groups.

Committee Agrees to Support UCCJEA...As Montana's representatives on the National Conference of Commissioners on Uniform State Laws (Conference), Justice Nelson and Attorney General Mazurek had been instrumental in the development of the UCCJEA and appeared before JOCCF as Commissioners rather than as state elected officials. The Conference has designated the UCCJEA as a target act, meaning that it is high on the organization's list of priorities for states' passage and approval. Attorney General Mazurek and Justice Nelson briefly explained the Act and its reason for being and expressed their interest in having a bill drafted for the 1999 Legislature that adopts the UCCJEA and incorporates it into the Montana Code Annotated. The Commissioners told JOCCF that state adoption of the UCCJEA would preempt any potential federal intervention in resolving interstate child custody and visitation problems.

In brief, the UCCJEA creates clear rules to determine which court has jurisdiction over custody and visitation cases, particularly important as people in America are increasingly mobile. The UCCJEA places exclusive priority jurisdiction in the child's home state, provides procedures for shifting that jurisdiction in the event that temporary emergency jurisdiction is warranted (as in a child abuse or neglect case), and adds interstate enforcement provisions. This is intended to alleviate confusion, for example, when a parent with custody rights moves to another state and attempts to modify the custody or visitation arrangements through that state's court system. Exclusive home state jurisdiction also puts the law in sync with the Parental Kidnaping Prevention Act (PKPA), passed by Congress in 1981. In PKPA, the home state always has the first opportunity to take jurisdiction.

After a series of questions to clarify precisely what the UCCJEA accomplishes and to determine the nature of the anticipated opposition to a bill adopting the UCCJEA in Montana, JOCCF voted unanimously to enter a formal bill draft request, to seek a sponsor, and to actively champion the legislation in members' respective standing committees and on the floor of the House and Senate.

Committee Hears Final CHIP Update...JOCCF also heard a final update on the Children's Health Insurance Program (CHIP), the development of which Committee members had invested considerable time and resources during the interim. Topics of discussion were cost-sharing, a dental package, and specifics of Phase I implementation. Phase I will utilize as state match the \$210,000 provided through a settlement with an insurance company reached by State Auditor Mark O'Keefe. It will allow for the enrollment of 900 children as early as this fall. Mary Dalton, DPHHS, updated the Committee on negotiations with the Health Care Financing Administration (HCFA) to receive final approval of Montana's plan, which she said she expects in September. (HCFA approved the state plan on September 11, 1998.)

DPHHS has identified three groups of children to target for enrollment in Phase

I of the program -- the approximately 300 kids on the waiting list for the Caring Program for Children, kids enrolled in DPHHS-subsidized day care, and Native American children living on the reservations. Phase II of CHIP, contingent on legislative approval and funding, will widen the scope of children to target for enrollment.

JOCCF voted to support DPHHS' current plan to proceed with Phase I, with the understanding that the ultimate goal must be a system that provides health care or health insurance for all of Montana's children through Medicaid, the Caring Program for Children, or CHIP.

"Healthy Mothers/Healthy Babies" informed the Committee of a grant it has applied for through the Robert Wood Johnson Foundation that would provide funding for the Covering Kids Project -- a proposed statewide outreach initiative to enroll low income, uninsured children in health insurance programs.

Committee Takes Action...JOCCF passed the following initiatives:

- (1) to request a bill allowing DPHHS to issue 3-year licenses for child care facilities;
- (2) to approve the Committee's completed self evaluation chart as a means of complying with Chapter 257, Laws of 1997;
- (3) to endorse DPHHS' implementation of Phase I of the Children's Health Insurance Program;
- (4) to submit a bill draft request implementing the Uniform Child Custody Jurisdiction and Enforcement Act;
- (5) to encourage Governor Racicot and Director Ekanger of DPHHS (via letters) to support continued funneling of federal block grant dollars to tribes for their welfare reform transition programs; and
- (6) to encourage continued attention to children's issues should the interim committee structure reorganization come to pass.

## REVENUE OVERSIGHT COMMITTEE

Next Meeting in October...The Revenue Oversight Committee is scheduled to meet Thursday, October 22 and Friday, October 23 in Room 108 of the State Capitol. On Thursday, the Committee will revisit proposals to revise the taxation of electric utilities and telecommunications services. These proposals include reducing the property tax rate or rates on these providers and imposing an excise tax on the consumption of electricity and telecommunications services. Additional replacement

revenue would be derived from electricity generation taxes or from a transmission line fee. The Committee deferred revising the taxation on natural gas utilities and oil and natural gas pipelines. Also under consideration is a proposal presented by the Montana Rural Electric Cooperative Association that would equalize the taxation of rural electric cooperatives and investor-owned electric utilities on the basis of customer density and investment in transmission and distribution facilities. See the September issue of *THE INTERIM* for prior coverage of the proposals considered by the Committee.

On Friday, the Committee will adopt estimates for the amount of revenue available for legislative appropriation during the 1999 legislative session. Contact Jeff Martin at <jmartin@state.mt.us> or by calling (406) 444-3064 for more information.

## OVERSIGHT COMMITTEE ON STATE MANAGEMENT SYSTEMS

Holds Final Meeting...The Oversight Committee on State Management Systems held its final meeting of the interim in early September. A review of the Committee's final work and its recommendations will appear in the November edition of *THE INTERIM*.

## INTERIM PROPERTY TAX COMMITTEE

Property Tax Committee Refines Menu...The work of the Interim Property Tax Committee is virtually complete. The members of the Committee recommended for further legislative consideration three primary alternatives and three less-substantial options. The three primary alternatives are:

- a change in the approach to valuation of Class 4 property, from "current market value" to "acquisition value";
- a combination of "cut and cap", rate reduction, and homestead exemption; and
- comprehensive property tax reform, accompanied by a 4% statewide, general retail sales tax.

Acquisition Valuation Option...At least three members of the Committee favor additional consideration of changing the method of valuing Class 4 property from the current market value approach to an acquisition value approach, a la California or Florida. The acquisition value approach most seriously scrutinized by the Committee has the following components:



- (a) the 1993 value established by the Department of Revenue would be the base year value;
- (b) the base year value could increase by the lesser of CPI inflation or 1% annually;
- (c) property newly constructed after 1993 or converted from non-Class 4 classification to Class 4 after 1993 would be valued at the "acquisition value" of the property at the time the property changed hands or was reclassified as Class 4.

Combination Option...At least three members of the Committee favor additional consideration of a combination of changes, including changes to mill levies, the statutory tax rate, and the (amount of) market value of owner-occupied homes subject to property taxation. The combination option has the following components:

- (a) reducing the number of mills levied statewide for K-12 education from 40 mills downward to 37 mills;
- (b) reducing the statutory tax rate applicable to Class 4 property from 3.816% (TY 1998 rate) of market value to 3.25% of market value; and
- (c) the partial exemption from property taxation of the market value of an owner-occupied home, specifically 25% of the first \$100,000 or less of market value.

To implement this option, the market value of property as determined by the Department of Revenue for tax year 1997 would be fully effective for tax year 1999.

Comprehensive Reform Option...The general proposal favored by at least three Committee members for further legislative consideration has the following components:

- (a) the elimination of approximately \$400 million in annual property taxes currently collected for and expended on the support of public education. The reductions would be effected in several ways, including the elimination of statewide mill levies for K-12 education and the university system, higher state support of school transportation and school retirement costs, and the partial exemption of the market value of owner-occupied residences;
- (b) the total exemption from property taxation of property commonly known as "business equipment", resulting in an additional reduction of  $\pm$  \$100 million annually in property taxes;
- (c) further restricting the potential for growth in revenue/expenditures for local governments and K-12 schools;
- (d) the enactment of a statewide, general retail sales tax with the following characteristics:
  - a rate of 4%;
  - exempting food, prescription drugs and medical services from the tax; and

- ▶ establishing a broad base of taxable goods and services, including most professional services;
- (e) providing sales tax rebates to low-income individuals and families through a refundable income tax credit; and
- (f) ensuring virtual "revenue neutrality" in state/local taxation.

Exemption of Business Equipment...An option favored by at least three members of the Committee would provide some level of "exemption" for business equipment. Committee members have started the bidding at a maximum \$25,000 exemption per taxpayer. That level of exemption may change through the legislative process.

Local Option Sales Tax...In parallel to the "resort tax" available to certain communities, at least three members of the Committee favor further legislative consideration of allowing any county or incorporated municipality to impose, through a public vote, a local option sales tax on good and services provided mainly or primarily to nonresidents of the community. The local option sales tax would be capped at a maximum of 3% and at least 5% of the sales tax revenue would have to be used to reduce property taxes within the jurisdiction.

Circuit Breaker Expansion...Montana has at least three different methods by which lower-income homeowners and elderly homeowners may reduce their property tax burdens. A direct reduction in property taxes is available for all lower-income homeowners under 15-6-134, MCA. An indirect reduction in property taxes through an income tax credit mechanism is available to lower-income elderly homeowners and renters. And, there is a type of reverse annuity mortgage available for certain lower-income, elderly homeowners through the Montana Dept. of Commerce. Under the proposed option, the "circuit breakers" would be expanded to provide more benefits to current recipients and to expand the pool of persons who would be eligible for the programs. At least three members of the Committee approve of further legislative consideration of this alternative.

## THE BACK PAGE

The 1972 Montana Constitution called for the legalization of gambling in Montana through a vote of the people or the action of the Legislature. Since that time, card games, bingo, keno, and video gaming have proliferated across the state. In addition, a state lottery was established in 1986. Although gambling and the lottery have resulted in substantial revenue to state and local governments, there are people who have been adversely affected, both personally and financially, by legalized gambling. Do the revenues generated by this activity outweigh the adverse affects? Should the state of Montana be involved in an activity that has such affects?

The 1997 Legislature, in an attempt to answer these questions, commissioned a study of the socioeconomic impacts of gambling in Montana. In this month's **THE BACK PAGE**, the results of the study are summarized.

### THE GAMBLING STUDY: FINDINGS AND LEAVINGS

by Stephen B. Maly, Research Analyst  
Legislative Services Division

#### INTRODUCTION

What are the odds that gambling is--when all its benefits and costs are accounted for--a good thing for the Treasure State and the citizens thereof? Rather than rolling some figurative dice or relying exclusively on anecdotal information, the 55th Legislature passed a bill to engage an exploration of the facts. The Gambling Study Commission is completing its work in accordance with House Bill 615 by sponsoring a public briefing to the Governor and the Legislature on September 30 and making available to interested persons the documented results of a 9-month study of the socioeconomic impacts of gambling in Montana. With the study itself under wraps, now is the season for analysis and interpretation of its findings.

The Commission's Overview and Summary of Results accompanies the contract study team's Final Report and Technical Appendices. The Overview is intended to fill some gaps in context and perspective as well as complement the more formal and scientific study elements with information about the legislative history of gambling in Montana, the economics of the gambling industry in general, what's been done to address social costs in other jurisdictions, and what sort of policy options are available to lawmakers now. Readers of **THE INTERIM** are encouraged to request or pick up a copy of the complete report or any part of it, from Legislative Services. (The Technical section is an assembly of 14 appendices containing detailed information about the methods

and procedures the study team used to obtain scientifically credible results.)

The study did not and could not meet all the objectives spelled out in HB 615, largely because of the difficulty (and associated expense) of finding, compiling, analyzing and in some cases also generating the requisite data for statistically valid measurements. For example, you won't find much about the number and types of jobs and the amounts of income that are indirectly attributable to gambling, nor is there any detailed accounting of the impact of gambling expenditure on state and local transfer payments, on family dysfunction, and on local law enforcement costs. However, the study contains a great deal of information about gambling's direct economic and on the scale of problem gambling. The results should prove useful to the Legislature and other policy makers who are charged with the responsibility to make informed decisions concerning the shape, structure, content, regulation and revenue "payoff" of all forms of legalized gambling in the state.

Rather than further characterize the study, or delve into any specific quarter of its domain, I would like to share with readers the factual highlights identified by the Commission and also some intriguing but perhaps less immediately relevant comments and observations about gambling that did not make the final cut. The conclusions below are unadulterated; the quotations that follow are arranged without priority.

#### THE COMMISSION'S SUMMARY

The following conclusions are drawn from research commissioned during this study, including: a survey of 1227 households, a survey of 427 gambling establishments, a review of in-patient records at two treatment centers and a survey of Gamblers Anonymous members, a review of crime data, and inferences derived from surveys by the University of Montana Institute for Tourism and Recreation.

- ▶ In 1997, 78% of Montanans gambled in some form, up from 74% in 1992. They wagered \$239 million, 94% of it on video poker and keno machines.
- ▶ Montana gamblers are equally likely to be male or female. Most are 18 - 29 or 40 - 49 years old, married, high school graduates, employed, earning above-average incomes.
- ▶ Non-residents spent \$10 million on gambling in 1998, about 4.5% of all money wagered.
- ▶ About 3.6% of all Montanans are problem or pathological gamblers, up from 2.2% in 1992. For American Indians in Montana, the current rate is 8.5%.



- ▶ Problem and pathological gamblers wager a disproportionate amount of the total: 37% of video gambling machine revenue, 29% of live keno, 18% of scratch tickets, 17% of other lottery games, and 13 percent of live bingo.
- ▶ The 1740 establishments that offer gambling reported gross revenue for 1997 of \$923 million. Gambling's share of the gross ranges from 62% for casinos with 20 machines to 5% for establishments with 1 to 5 machines.
- ▶ 93% of gambling establishments hold alcohol licenses. Under state law, only residents may obtain a license to sell alcoholic beverages, so most establishments are owned and operated by Montana citizens. Vendors, also known as route operators, provide about 66% of the video gambling machines in Montana. Four vendors are owned completely by non-residents (one of whom has over 800 VGMs in the state); an additional 7 are partially owned by non-residents.
- ▶ Gambling establishments spent a total of \$795 million in 1997 to buy goods for resale, as well as for payroll, video gambling machine rent, taxes, advertising, interest, and other expenses. The balance of \$128 million (the difference between gross revenue and expenditures) yields an average "net margin" of 13.8%.
- ▶ Those establishments employ approximately 16,300 workers (4.6% of the state labor force) who work face-to-face with gamblers. On average, each worker puts in 30 hours per week and makes \$9600 per year (not counting benefits and tips).
- ▶ In 1997, gambling paid a total of \$47 million in direct taxes: \$24.3 million to local governments, \$17.9 million to the state's general fund (just under 1% of general fund revenues), and \$5.1 million to regulatory agencies.
- ▶ Cities and counties have grown to rely on gambling tax revenues, which account for an average of 13.9% of cities' funds and 1.5% counties' funds. Some local governments are far more dependent: Kalispell, Hamilton, Libby, Bridge, and Superior get from 23% to 39% of their revenue from gambling taxes; Anaconda/Deer Lodge, Butte/Silver Bow, Lincoln, and Mineral counties receive from 4% to 10%.
- ▶ Increased gambling is statistically correlated with increases in six types of crime: burglary, larceny/theft, robbery, vandalism, DUIs, and weapons offenses. For each additional \$1 million in gambling, about 172 more of those crimes will occur. There is no statistical correlation between increased gambling and increases in embezzlement, check fraud, or

forgery.

- ▶ But problem and pathological gamblers informally admit a very high incidence of illegal acts. Some, like check fraud, directly support their gambling.
- ▶ Problem and pathological gamblers informally report very high rates of divorce, bankruptcy, credit problems, domestic violence, drug and alcohol dependence, and depression and suicide attempts.
- ▶ An estimated 3% to 6% of problem and pathological gamblers will eventually seek treatment. Projected costs are \$9,485 per person for in-patient treatment, \$1,600 per person for out-patient care.

### OUT-TAKES & ASIDES

Inevitably, in preparing the Commission's Overview, a great deal of interesting material was left on the cutting room floor, including synopses of gambling in ancient history, gambling in colonial America, contemporary Indian gambling enterprises in various western states, gambling in the western provinces of Canada, gambling in other countries such as the United Kingdom, Australia, and South Africa, gambling on transoceanic flights, and gambling on the Internet. There's a lot of gambling going on, and a great deal of it is legal. As Harold Vogel points out in his 1996 edition of Entertainment Industry Economics, "More is spent on gaming and wagering activities than directly on movies and recorded music combined. The industry's growth potential depends on an unusually broad assortment of social, political, and economic factors. The one constant is that gambling possesses both consumption and investment characteristics; it provides direct utility with the hope of financial gain. In other words, people do not gamble only for money; they also gamble because it is entertaining."

The following quoted statements and passages are powerfully indicative of the differences of perspective that make gambling a fascinating and challenging subject of inquiry. There is something below for almost everyone, I hope, whether they're enthusiastically in favor of gambling, dead-set against it, or staked out somewhere in the broad middle ground, sitting on a fence and quietly humming *que sera sera*. There is no hidden or subtle agenda at work here, but neither is there any shying away from the controversial nature of some of these statements.

*"Ten years ago, less than half the U.S. adults thought casino gambling acceptable. Today, a vast majority of adult Americans say casinos are acceptable for themselves or others."*

Keon S. Chi, "State Government News", September, 1998

*"Gambling, which historically has been viewed with skepticism and derision similar to other vices"--illicit drugs, the sex business, alcohol and tobacco--has found considerable acceptance during the latter half of the twentieth century. It shares with the vices common economic characteristics: strong demand for the activity from a segment of society; sensitivity of demand to changes in its legal status; real or perceived social costs associated with its availability; a history of attempts to prohibit, constrain, or allow the activity; and volatility in the legal and social status of the commodity. It is noteworthy that the other vices have all experienced legal and political battles over the last half century, but none have been as successful in that time frame as gambling in expanding their legal and economic franchise, and their perceived legitimacy.*

William R. Eadington, "Contributions of Casino-Style Gambling to Local Economies", Annals of the American Academy of Political & Social Science, March, 1998

*"The big gamble has always been a persistent feature of our economic and cultural history. What were the earliest English settlements at Jamestown and Massachusetts Bay if not enormous gambles?... Toqueville, visiting [the U.S.] during the 1830s, wrote that Americans went west for the same reason they liked to gamble, not only for the sake of the profit it holds out to them, but for the love of the constant excitement occasioned by that pursuit."*

Jackson Lears, "Playing With Money", Wilson Quarterly, Autumn, 1995.

*"In all areas where the United States where casino gaming has occurred, it has resulted in a faster rise in the rate of employment, a decline in unemployment, a significant increase in the tax base, and, after an additional start-up period, a decline in the crime rate. Thus casino gaming has been an unequivocal benefit to those states and municipalities that have permitted it to flourish."*

Dr. Michael Evans, The Evans Group, A Study of the Economic Impact of the Gaming Industry Through 2000, Sept., 1996

*"The biggest downside to legalizing casino gaming is problem gambling. The industry is only beginning to treat this issue with the seriousness it deserves...When respected studies show the true dimensions of the problem, ammunition will be given to gaming opponents and the industry will find itself on the defensive with only itself to blame. The gaming industry needs to form and fund an industry-wide organization to establish guidelines for abuse, establish standards and policies that all reputable*

*casinos are expected to honor and enforce, and fund consumer education, counseling, and treatment programs that are truly effective in dealing with the problem. The understanding and cure for this major problem is presently only in its infancy."*

Donald E. Hunter and Ernest E. Bleinberger,  
Economic Development Commentary, Spring, 1995

*"Pathological Gambling is a good example of an interaction between a biological/genetic vulnerability and environmental cues leading to a rising prevalence of the disorder."*

Dr. Eric Hollander, MD, and Concetta M. DeCaria, PhD,  
CNS Spectrums, June, 1998.

*"What I like is the ambience of gambling, particularly casino gambling, with its day-into-night and night-into-day sense of anything-goes-and-here-it-comes release from the conventions of ordinary life...Money is the fuel of gambling; it drives it, as gasoline powers a car. But the pleasure of driving a car is not about gas. It's about speed, style, movement. Gas is only what makes the car run. In that sense, the real motives behind gambling are to be sought elsewhere."*

David Spanier, "The Joy of Gambling", Wilson Quarterly, Autumn, 1995.

*"[The National Gambling Impacts] commission is going to study gambling for two years, then produce a detailed report, which, in accordance with federal laws concerning blue-ribbon commission reports on important issues, will be fed to pigs."*

Dave Barry, humor columnist, 1997

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### BEAM ME BACK, SCOTTY . . .

During the 1997-98 interim, Stephen Maly staffed the Gambling Study Commission and also assisted the Transition Advisory Committee on Electric Utility Industry Restructuring. Somewhere along the line, he got his wires crossed. The resulting jolt catapulted him into a parallel universe, where things were topsy-turvy: the electric utility industry was being studied, and the gambling sector was being restructured. What follows is a brief description of the shocking scene he witnessed in warp drive.



***Back to the Future...On the Maverick Train!***

*The Montana Maverick runs from Butte to Whitefish, with stops in Helena, Missoula, and Polson. Passengers pick from a string of classy cars named Queen City, Electric City, the Bitterroot, the Gibraltar, the Anaconda, the Little Big Horn, and the Stillwater Complex. There's a microbrewery on one end, a gourmet restaurant on the other, and lots of hard and soft beverages in-between. Snackwise, there's hard and soft pretzels made of Montana wheat, huckleberry this and that, buffalo jerky, the works.*

*People are playing cards and having a ball. The dealers are dressed in period costume, circa 1885 or thereabouts. Others are playing old fashioned slot machines--the venerable one-armed bandits. There's no video gaming machines. This train is unplugged. (Mental health experts assert that this kind of gambling is less problematic for persons with a predisposition for addictive behavior.)*

*Some dude who looks a lot like James Garner is moving up and down the train, acting smooth. In the Myrna Loy Suite there's all sorts of movie posters and paraphernalia; a life-size cutout of Gary Cooper. Suddenly, somewhere near Clancy, a bunch of outlaws on horseback ride up alongside a dome car and fire off a fusillade of blanks. It's a big whoopdeedoo.*

*At one end of the track, in Butte, there's a huge casino complex with everything based on a mining theme. (If you've seen the Silverado in Reno, you get the picture, but Butte's got this kind of stuff in spades!) Near the other end, at Polson, there is an equally huge Indian Gambling center, a cluster of separate tribal casinos representing all the Indian nations in Montana that have compacts with the state, operating together in a cooperative fashion in accordance with their own, self-determined Gambling Confederation Agreement.*

*This is first class fun at middle class prices. Foreigners love it--they're flocking in to ride the Montana Maverick, the world's first and foremost gambling train.*

*All aboard?*

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**INTERIM  
CALENDAR**

UNLESS OTHERWISE SPECIFIED,  
ALL ROOM DESIGNATIONS ARE IN THE CAPITOL

**OCTOBER**

October 5, TAC Universal System Benefits Programs Subcommittee, Room 104

October 12, Columbus Day, legal holiday

October 22-23, Revenue Oversight Committee, Room 108

October 23, Transition Advisory Committee, Room 312-2

October 28-29, Committee on Public Employee Retirement Systems, Room 437

October 29, EQC Water Policy Subcommittee

October 30, Environmental Quality Council, Room 104

**NOVEMBER**

November 3, Election Day, legal holiday

November 11, Veterans' Day, legal holiday

November 12, Legislative Audit Committee, Room 104

November 12, Statutory Committee to Nominate Candidates for Commissioner of  
Political Practices, Room 108, 3 p.m.

November 13, Legislative Council, Room 104

November 13, Legislative Finance Committee, Room 108

November 14, Presession Caucus

November 26, Thanksgiving, legal holiday





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